

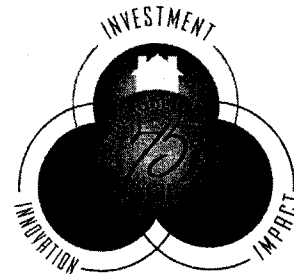


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Making Hope Reality

1939 CHA 2014
Charlotte Housing Authority

April 1, 2015

Mr. David Peacock
NC Division of Waste Management
Brownfields Program
1646 Mail Service Center
Raleigh, NC 27699-1646

Subject: Annual Land Use Restrictions Update
Alpha Mills, #07009-03-60

Dear Mr. Peacock:

The Housing Authority of the City of Charlotte is submitting the attached Land Use Restrictions Update ("LURU") pursuant to the land use restrictions listed in the Notice of Brownfields Property recorded at the Mecklenburg County Register of Deeds.


Moreover, included with this submission is a Ground lease addendum by and between the Housing Authority of the City of Charlotte and 940 Brevard, LLC which incorporates the requirements of NCGS Section 130A-310.35(d), to state that the Land has been classified as a Brownfields Property and is subject to that certain Notice of Brownfields Property recorded in Book 19004, Page 549, Mecklenburg County Registry.

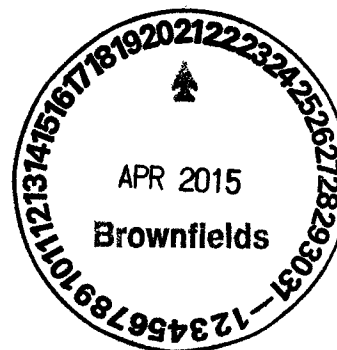
A Phase I Environmental Site Assessment conducted June 30, 2006 by Froehling & Roberson, Inc. is also attached. The Phase I Environmental was conducted prior to soil disturbance at the 940 Brevard portion of the Brownfield site and concluded no recognized environmental conditions (RECs) or historical recognized environmental conditions (HRECs) at the site.

This LURU certification and supplemental attachments are intended to cover all prior years of the Housing Authority's ownership as being in compliance with the recorded agreement during those years a LURU was not submitted.

If you have any questions, please contact Timica Melvin at (704) 336-8415 or tmelvin@cha-nc.org.

Sincerely,


A. Fulton Meachem, Jr.
Chief Executive Officer



**FIRST ADDENDUM TO GROUND LEASE
FOR
940 BREVARD, LLC**

This First Addendum to Ground Lease for 940 Brevard, LLC (this "Addendum") made as of April 14, 2015 is incorporated by and into and shall be deemed to supplement that certain Ground Lease For 940 Brevard, LLC (the "Ground Lease") dated August 7, 2007 and between the Housing Authority of the City of Charlotte, N.C. (the "Authority") and 940 Brevard, LLC (the "Tenant").

RECITALS:

1. All capitalized terms not defined in this Addendum shall have the meaning ascribed to them in the Ground Lease.
2. The Authority acquired the Land from Alpha Mill, LLC ("Alpha Mill") pursuant to that certain North Carolina Special Warranty Deed from Alpha Mill to the Authority dated July 27, 2006 and recorded in Book 20805, Page 110 of the Mecklenburg County Registry.
3. Tenant has constructed a 100-unit multifamily apartment on the Land known as 940 Brevard (the "Project").
4. Alpha Mill was an affiliate of Crosland 940 Brevard, LLC, the Managing Member of Tenant (where the managing member of Alpha Mill, LLC was Crosland Alpha Mill, LLC, which was an affiliate of Crosland 940 Brevard, LLC, which is a member/manager of Bilbro Development, LLC which is the managing member of 940 Brevard, LLC).
5. The Land is subject to certain restrictions and requirements set forth in that certain Notice of Brownfields Property dated July 8, 2005 and recorded in Book 19004, Page 549 of the Mecklenburg County Registry (the "Notice"), a copy of which is attached hereto as Exhibit 1. Such requirements include the submission of a notarized "Land Use Restriction Update" (the "LURU") to the North Carolina Department of Environment and Natural Resources ("DENR") by the Authority as owner of the Land during January of each year.
6. An unexecuted sample of the LURU to be submitted by Alpha Mill or its affiliate/successor for properties adjacent or nearby the Land which are also subject to the Notice is attached as Exhibit 2 (the "LURU Form").
7. The Authority and Tenant desire to ensure that the Project complies with the requirements of the Notice, and the Authority desires for Tenant to assist, and Tenant agrees to assist, the Authority in its submission of the LURU and other requisite information to DENR pursuant to the Notice (the LURU and other requisite information shall collectively be referred to as the "Brownfields Information").

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. **Submission Requirements.** No later than March 18, 2015, and no later than January 15th of each year beginning in 2016, Tenant shall provide the Authority with (i) a completed up-to-date LURU ("Updated LURU") for the Land and the Project using the LURU Form, (ii) a certification by Tenant to the Authority that all information in the Updated LURU is true and accurate; and (iii) all other necessary information and certifications in forms satisfactory to the Authority to allow the Authority to submit the Brownfields Information to DENR.

Section 2. **Notification by Tenant.** Notwithstanding the provisions in Section 1 above, in the event Tenant has knowledge of any activities in connection with the Notice that will have an effect on the Land and/or the submission of the Brownfields Information by the Authority, Tenant shall provide the Authority with such information immediately.

Section 3. **Additional Testing; Communication with Governmental Agencies.** In the event DENR requires additional assessment of the Land and Project in connection with the Notice, Tenant shall commission and bear all costs of any such assessment (including the reliance letter described in the succeeding sentence). Tenant shall ensure that the environmental consultants provide the Authority a "reliance letter" with respect to such assessment. Furthermore, Tenant shall provide the Authority with all reports and information related to such assessment, and shall release such reports and information to DENR or other governmental agencies having jurisdiction over the Land and/or the Project ("Other Governmental Agencies") upon the approval of the Authority. If requested by the Authority, Tenant shall assist and cooperate with the Authority in the Authority's communication with DENR and Other Governmental Agencies regarding such assessment and other matters related to the Notice.

Section 4. **Amendment to Exhibit A, Legal Description.** The following shall be inserted at the end of Exhibit A:

"In accordance with the requirements of NCGS Section 130A-310.35(d), the Land has been classified as a Brownfields Property and is subject to that certain Notice of Brownfields Property recorded in Book 19004, Page 549, Mecklenburg County Registry."

Section 5. **Conveyance of Interest.** A copy of any such instrument conveying an interest in the Premises shall be sent to the persons listed in Section XV (Notices and Submissions) of the Brownfields Agreement attached as Exhibit A to the Notice (except that the information for Alpha Mill shall be replaced with the information of Tenant as follows: Mr. Adam Ford, 940 Brevard, LLC, 5960 Fairview Road, Charlotte, NC 28210), though financial figures related to the conveyance maybe redacted. To the extent a standard lease is used, one (1) copy of it may be sent, as well as a copy each time it is modified, along with certification that it is a standard lease.

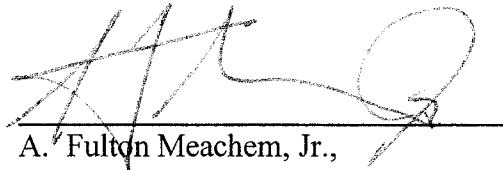
Section 6. **Conflicts with Ground Lease.** In the event of any conflict between the provisions in this Addendum and any provision in the Ground Lease, the provisions in this Addendum shall control.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties by and through their duly authorized representatives, have executed this Addendum effective as of April, 2015.

**HOUSING AUTHORITY OF THE CITY OF
CHARLOTTE, N.C.,**

By:



A. Fulton Meachem, Jr.,
Chief Executive Officer

940 BREVARD, LLC

By: Bilbro Development, LLC,
Member/Manager

By: Crosland 940 Brevard, LLC,
its Manager

By: Crosland, LLC, Manager

By:

Adam Ford, General Manager

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By: _____

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Chief Executive Officer

940 BREVARD, LLC

By: Bilbro Development, LLC,
Member/Manager

By: Crosland 940 Brevard, LLC,
its Manager

By: Crosland, LLC, Manager

By: _____

Adam Ford, General Manager

Exhibit 1

The Notice

(See Attached)